

Public finance and economic and social costs of smoking plus return on investment for tobacco control recommendations

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APPG on Smoking and Health

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Outline

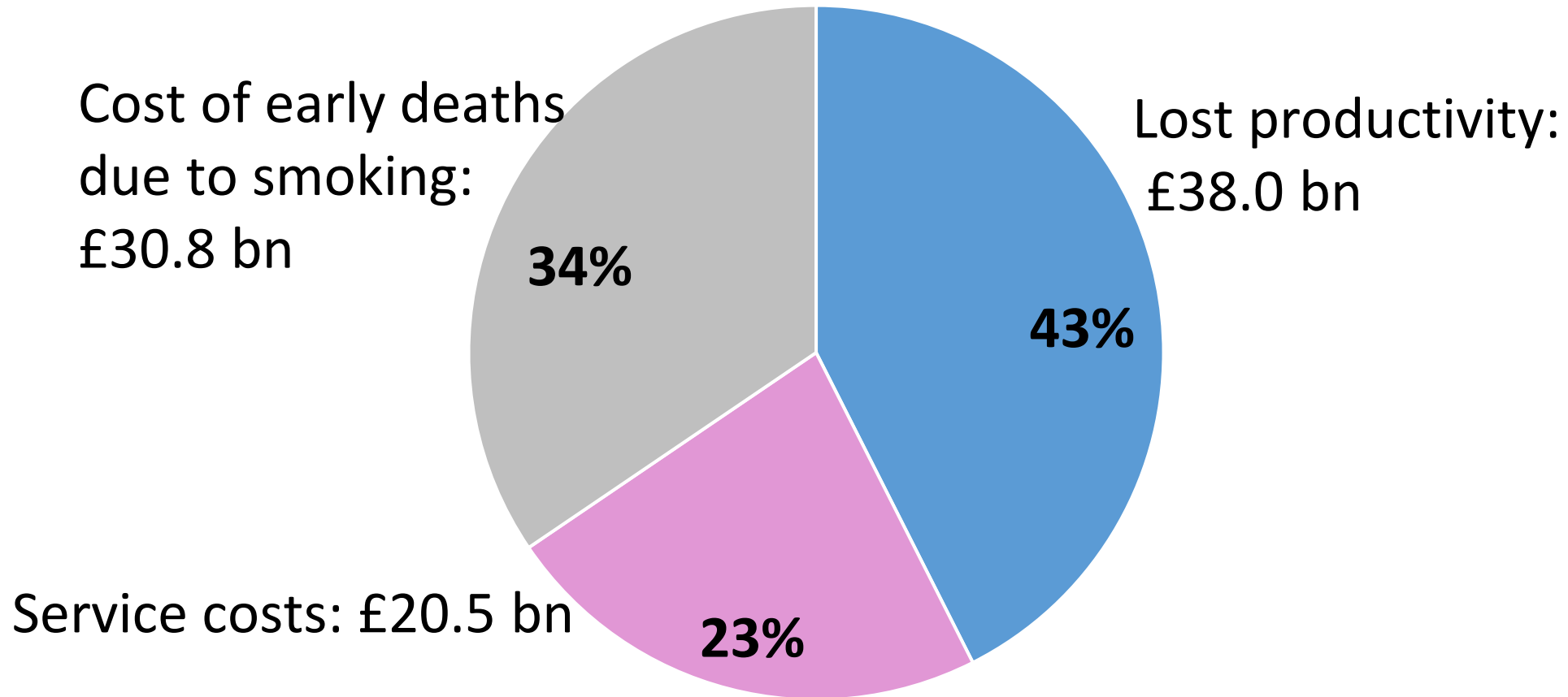
- Landman Economics CBPF model
- Economic and social costs of smoking to the UK (2023)
- Impact of smoking on UK public finances (2023)
- Recommended package of tobacco control policies in APPG report
- Impact of tobacco control policies on public finances (2024 and 2025-29 parliament)

Cost-Benefit and Public Finances Model of Smoking

- Estimates the total costs of smoking to the UK and its constituent countries (in current year and future years)
- Estimates the overall impact of smoking on the public finances (taking into account tax receipts, social security spending and other public spending)
- Models the impact of changes in smoking prevalence (e.g. due to tobacco control policies) on total costs of smoking and the public finances

Economic and social costs of smoking, UK: 2023

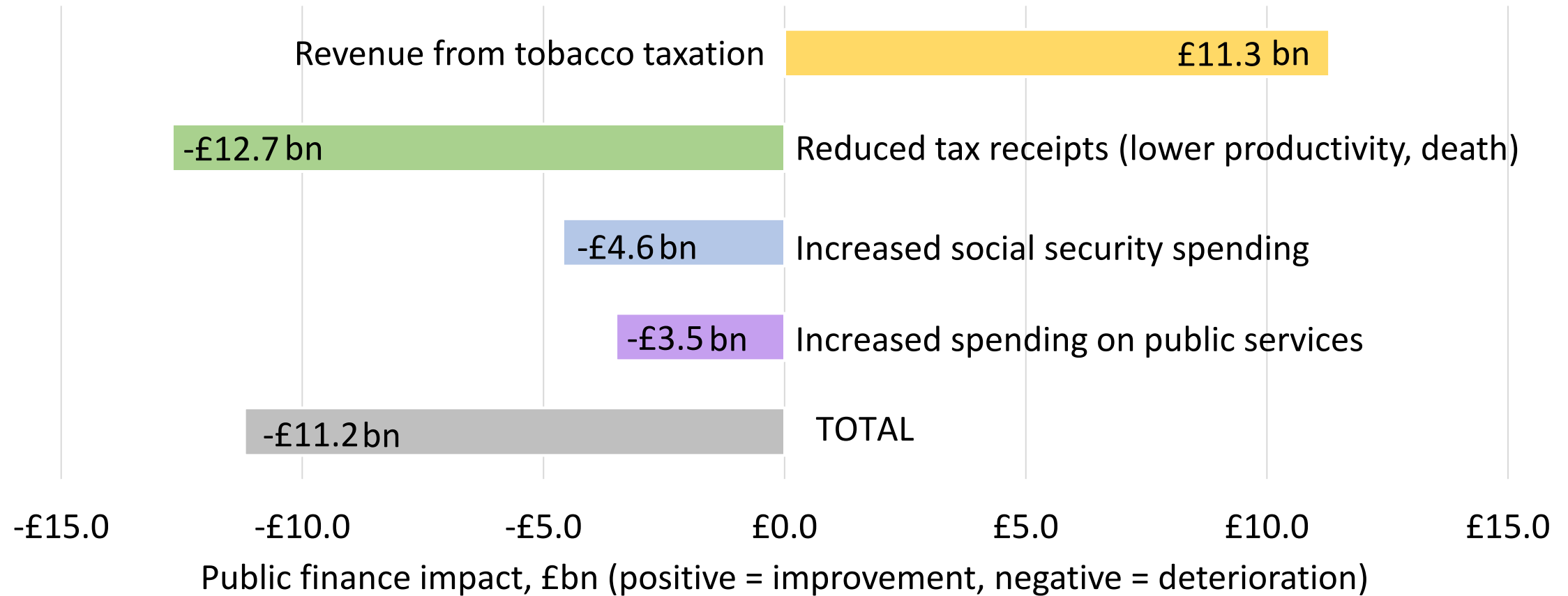
£89.3 billion



Source: Landman Economics CBPF model version 2.1

Public finance impacts of smoking, England: 2023

£9.4 billion



Source: Landman Economics CBPF Model version 2.1

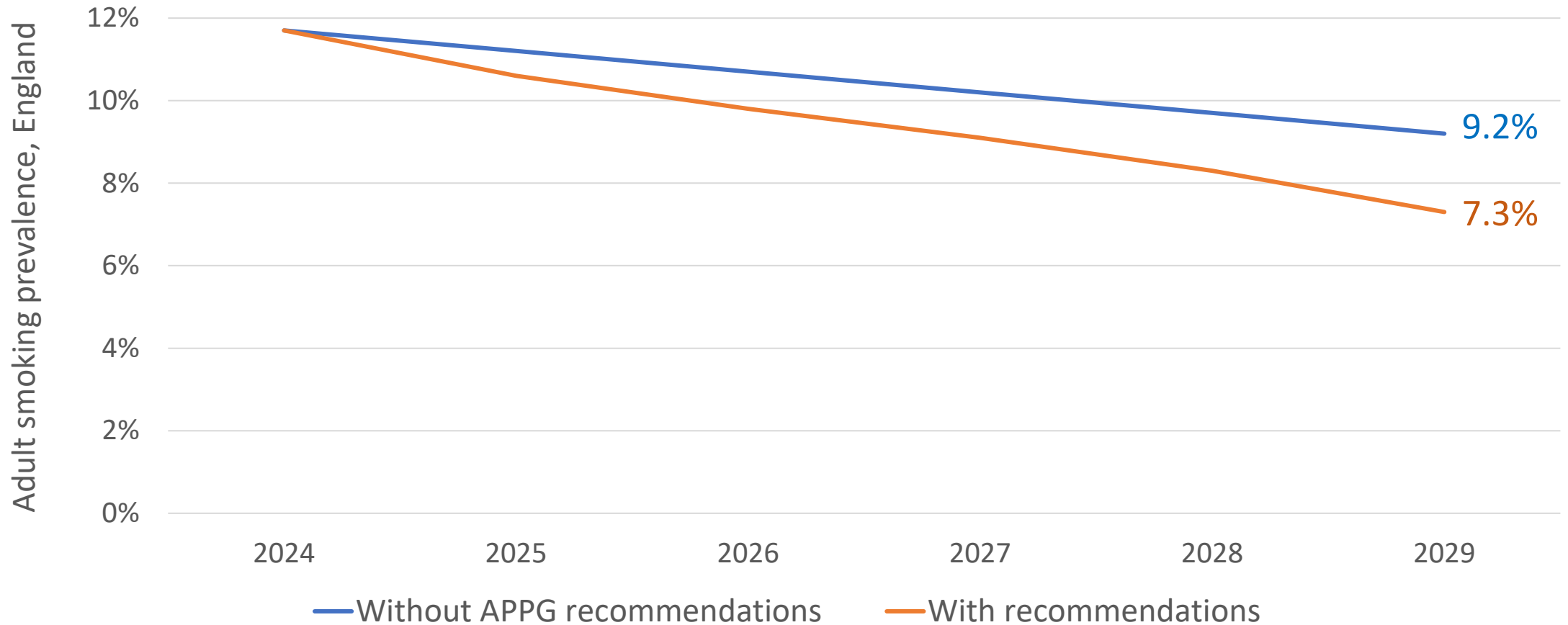
Modelling the impact of tobacco policy recommendations in England: what's included

- Implementation of current DHSC commitments and sustain them throughout the next parliament
- Implementation of NHS Long Term Plan commitments and sustain them throughout the next parliament
- Implementation of additional APPG recommendations throughout the next parliament

For summary of measures included see Appendix 2 of the APPG on Smoking and Health Manifesto for a Smokefree Future.

Detailed UCL Tobacco and Alcohol Research Group modelling of recommendations for tobacco control in England available from <https://osf.io/6hkpv/>

Modelled impact of tobacco policy recommendations on smoking prevalence in England



Impact of recommendations on public finances (England, £ million)

	2024	2025-29 average	2025-29 cumulative
Reduced revenue from tobacco taxation	-134	-1,011	-5,054
Higher tax receipts from increased productivity	+149	+1,117	+5,583
Total tax impact	+15	+106	+529
Reduced social security spending	+47	+364	+1,819
Reduced spending on public services	+23	+159	+794
TOTAL IMPROVEMENT IN PUBLIC FINANCES	+84	+628	+3,142